

**MINUTES
ST. CLAIR SHORES CITY COUNCIL MEETING
April 18, 2016**

Regular Meeting of the City Council, held in the Council Chambers, located at 27600 Jefferson Circle Dr., St. Clair Shores, Michigan.

Present: Mayor Kip C. Walby, Council Members Peter Accica, John Caron, Ronald Frederick, Peter Rubino, Candice Rusie, and Chris Vitale

Also Present: City Manager Michael Smith, City Clerk Mary Kotowski, Directors Doug Haag, Liz Koto, Chris Rayes, and City Attorney Robert Ihrle

1. CALL TO ORDER, ROLL CALL AND PLEDGE OF ALLEGIANCE

Mayor Walby called the meeting to order at 7:00 p.m. Ms. Kotowski, City Clerk, called roll with a quorum present. The Pledge of Allegiance was recited by those in attendance.

2. PROCLAMATIONS & PRESENTATIONS

a. St. Clair Shores Post Office Food Drive Proclamation

Mayor Walby presented the following proclamation to Mike Sheridan:

***PROCLAMATION DESIGNATING SATURDAY, MAY 14, 2016 FOR THE
NATIONAL ASSOCIATION OF LETTER CARRIERS 24th ANNUAL FOOD DRIVE***

WHEREAS, the upcoming **Letter Carrier-U.S. Postal Service Food Drive** is our 24th annual nationwide food drive taking place in 10,000 cities across America; and

WHEREAS, the citizens of St. Clair Shores have always contributed generously to our annual food drive; and

WHEREAS, the need for food throughout Macomb County has increased dramatically over the past few years; and

WHEREAS, the Macomb Food Program is the recipient of most food collected in St. Clair Shores and distributes food through a network of over 50 pantries throughout Macomb County; and

WHEREAS, Kroger has generously donated 600,000 bags to be attached to the food drive postcard announcing the food drive to facilitate bagging of donated items; and

WHEREAS, this simple food drive takes place right at your mailbox on the second Saturday in May;

NOW, THEREFORE, BE IT RESOLVED that Saturday, May 14, 2016, be proclaimed **Letter Carrier-U.S. Postal Service Food Drive Day** in St. Clair Shores and all citizens of the City be encouraged to donate nonperishable food items to be left at their mailbox and participate in this largest one-day food drive in the world.

Presented this 18th day of April, 2016.

Mr. Sheridan said they've collected over a billion pounds of food. This City and Council Members go above and beyond. St. Clair Shores donated over 50,000 lbs. of food. He said they ordered additional lawn signs for people to put on their lawn. They find that the signs are a great aid in reminding people that the event is coming up.

b. Macomb Chamber Music Society Wahby Park Summer Concert Series

Tom Ulrich announced that the Wahby Park summer concert season will start on July 4th and run until the end of August. He said there will be chamber music, such as American band, string quartet, sounds of music, jazz, etc. The concerts will start at 7 p.m. and end at 8 p.m. This will be the 2nd season in a row where they can produce 9 concerts. He said to go to Shoreskiwanis.org and there's a way to be notified of the concert dates.

3. AUDIENCE PARTICIPATION ON AGENDA ITEMS (2 MINUTE TIME LIMIT)

Jim Goodfellow, St. Clair Shores Resident, spoke on agenda items 5, 6a, and 6b. He said hopefully Council will approve the Hockey. He suggested changing the requirement for resident agents.

4. PLANNING CASE PPC160005 REQUEST FOR APPROVAL FOR 2016-2017 COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM BUDGET

Mrs. Koto said the request is to approve the Community Development Block Grant budget for the 2016-2017 Fiscal Year. A public hearing was held on March 8, 2016 to hear requests from Public Service Organizations for funding. A total of twelve requests for funding were received prior to the hearing. Eleven of the twelve Public Service Organizations also attended the public hearing. The twelfth organization, Macomb Homeless Coalition, is required to be funded as they are the city's Continuum of Care provider. After the public hearing ended, the Planning Commission had requested to be provided with a few options for funding the Public Service Organizations. There is not enough funding available to provide each organization with all the funds requested. The Planning Commission was presented with three options based on their discussions:

1. Fund only the public service organizations that were funded in prior years at 68% of the amount requested
2. Provide \$1,000 to the new public service organizations and fund the remaining organizations at 63% of the amount requested
3. Fund all public service organizations at 58% of the total amount requested

The Planning Commission recommended Option 1-No New Agencies and funding existing agencies at 68% of the total amount requested.

Mrs. Koto explained that public service organizations apply to us to request funding for various services. Each year they apply to us and the Planning Commission has a public hearing. This year there were 11 public service organizations that applied for funding. We can't fund them all and we've been left to decide which ones can us the funding as effectively as possible.

Mrs. Koto said they were given \$806,899.00 to allocate to different programs. She explained what is proposed for 2016-2017 and if there is anything left over from prior years, such as \$250,000.00 is proposed for the Homeowner Rehabilitation Program with \$43,680.05 available from prior years, \$85,000.00 is proposed for Senior Activity Center with \$53,185.37 available from prior years (anticipated to be depleted by June 30), \$10,200.00 is proposed for the Senior Chore Program with \$3,190.87 available from prior years, \$6,800.00 is proposed for the Hope Center with \$0 available from prior years, \$2,040.00 is proposed for Wigs 4 Kids with \$1,000.00 available from prior years, \$3,400.00 is proposed for Turning Point with \$3,400.00 with \$3,180.00 available from prior years (anticipated to be spent by June 30), \$4,420.00 is proposed for MCREST with \$0 available from prior years, \$6,120.00 is proposed for Care House with \$4,950.00 available from previous years, and \$2,720.00 is proposed for Warming Center with \$0 available from previous years.

Mrs. Koto explained details about the organizations. She explained which organizations received funding from us in previous years and which ones didn't. Wigs 4 Kids is a non-profit St. Clair Shores based organization that provides children with wigs who may be undergoing cancer treatment or be afflicted with a disorder that causes hair loss. Turning Point is considered an emergency shelter for families and individuals who are fleeing violent situations in their home. Care House is a child-friendly, family-centered facility that coordinates the complex investigation, prosecution, and treatment services to victims of child sexual and physical abuse. MCREST provides temporary shelter for the homeless in Macomb County. Participating churches agree to open their facilities to the homeless for a period of one week per year and provide a safe, clean environment with meals, showers, transportation and laundry. The St. Clair Shores Hockey Association Player Enablement fund seeks to assist families with the cost of membership in the Hockey Association when they cannot afford it. There were 6 to 8 children in this group.

Mayor Walby said that the organizations that we sponsored last year are all down. He asked why the hockey fund almost doubled.

Mrs. Koto said the need was that great.

Ms. Rusie stated that this is one of the toughest votes that we have to make and the Planning Commissioner has a tough job having to interview and decide. This year we have a lot more requests than we have funding for. We are looking at the recommendation from the Planning Commission.

Agenda Item 4 (cont'd)

Mrs. Koto said after the public hearing the Planning Commission discussed the options. She indicated that we could fund a percentage of every funding requested. Another idea was to give any new organization \$1,000.00 and funding the rest 2/3 of the funding they requested. The one they went with is funding the organizations that we have in the past not requesting any new agencies and that would be at 68%.

Ms. Rusie stated that she respects the work of the Planning Commission, but she is not sure she is comfortable with an across the board reduction.

Mr. Rubino said you can go to the Attorney General website to see how much of this money goes to the cause. Wigs 4 Kids was 91% and hockey was 100% go to the cause. He was surprised to see that Good Will is for profit versus Salvation Army which is not. He said he couldn't find any information on how much money goes to the Hope Center cause. He is reluctant to give money after looking at their spreadsheet. He said The Lake House has served 140 members of our City and he thinks we should give them some money.

Mr. Accica said he feels that hockey keeps the kids busy and out of trouble and he would like to see that funded because he knows how tough it is to keep them in hockey.

Mr. Frederick said he is on the board for Wigs 4 Kids and The Lake House and he agrees with Mr. Rubino about the amount of money that goes to the cause. He agrees with Mr. Accica that hockey needs to be funded. He would like funding to go to Wigs 4 Kids, Lakehouse, and hockey. He didn't realize that Hope Center was in that situation. He said St. Vincent DePaul does a ton of work. He would like to switch some of this around to at least fund The Lake House and St. Vincent DePaul.

Mr. Caron said in terms of The Lake House he agrees with Mr. Frederick. He would like to know why Hope Center is not on the website. He wouldn't be opposed to moving some funds to The Lake House.

Mrs. Koto explained MCREST and the warming center.

Mr. Vitale thanked Mr. Rubino for doing detective work and he is agreement with him. He asked about the Mark Wells Fund. He said to only fund one more.

Mrs. Koto said they received \$5,000.00 and helped 6 players, so it costs approximately \$800.00 for each player.

Mr. Rubino said he wants to know why the Hope Center is incorporated and not a 501c3.

Mayor Walby said we need more information on the Hope Center, we need to get something from The Lake House, and we need some direction about the hockey association.

Ms. Rusie said she would like to see more information.

Moved by Council Member Caron, supported by Council Member Rusie to TABLE Planning Case PPC160005 Request for approval for 2016-2017 Community Development Block Grant program budget for additional information.

Ayes: All – 7

5. REQUEST TO CONSIDER APPROVAL OF MINOR LEAGUE HOCKEY AT CIVIC ARENA (rescheduled from 4/4/16)

a. Consideration of approval of an agreement between the City of St. Clair Shores and Global Hockey, LLC

Mr. Smith explained that the request is to approve scheduling Minor League Hockey games at Civic Arena, approve and adopt a resolution to approve a Class C Liquor License and approve the agreement with St. Clair Shores Hockey Association, and acknowledge the requirement of funding as follows: \$50,000 from city funds allocated to Civic Arena 2016-2017 budget to be spent on construction under the current city purchasing policies. Further, additional ice purchase discounts of \$25,000 for spring 2016 and \$25,000 for spring 2017 and a \$25,000 credit fall 2016 and fall 2017 on ice purchases to be used to complete the \$247,000 project.

Agenda Item 5 (cont'd)

Mr. Smith said the direction we got last time was that we needed clarification. There are 4 parts to making this happen. We got some direction from Council for what we were looking for. We had meetings with Gina Rheaume and Global Hockey.

Mr. Ihrie said there are a number of moving parts here. The first is an agreement between St. Clair Shores and the semi pro team. The contract calls for a 5 year agreement with Global Hockey management and they will bring their team as part of a league. There are 5 hockey teams and this is one of them. This calls for the team to be run out of the civic arena. The 2nd agreement is between the St. Clair Shores Hockey Association and the St. Clair Shores Concession Association that runs the concession at the civic arena. There will be four new hockey rooms built and will be paid for by a series of credits contributed by the Association and donations. The 3rd is the Class C liquor license. The St. Clair Shores Concession works with the Hockey Association in serving alcohol, although no alcohol will be served when there are kids under a certain age playing hockey. He said the 4 parties come together and it looks to be a win-win for all 4 parties. All 4 parties have met and participated in a series of compromises.

Ms. Rheaume said that is everything in a nutshell. We brought all the information regarding the team. She said no one will be displaced. This will provide entertainment.

Ms. Rusie said she thinks this is very protective of the City and it protects the City's interest. She agrees with Mr. Ihrie that it is a win-win. She asked someone to explain about PFHL and FHL.

Mr. Ihrie said he believes that this team will participate with the Federal Hockey League, but Federal Hockey League had some legal issues.

Brandon Contratto explained that the league was first incorporated 6 years ago. There were a lot of changes in ownership. There was a lawsuit of the league of the former ownership of the league, not the current ownership.

Ms. Rusie asked about the responsibility of putting them up and taking them down (the banners). Ms. Rheaume said the league is responsible for putting them up and taking them down.

Ms. Rusie asked if they will be able to use the fitness room and if we have checked with HUD about the use of the facility.

Mr. Smith said they will be able to use the facility. He checked and found out that if it is donated as long as the proceeds are used for the intended.

Mr. Caron said our deal is only with the hockey team and not the league. After reading through the contracts and seeing all the moving parts he is ecstatic about it. This will bring more hockey to the Civic Arena. Mr. Rubino asked about it being a tavern license.

Mr. Smith said the question is will this count against one of our liquor licenses and it does count against our quota. It will be labeled as a Tavern License. It can be converted to a full license. It's not a full license, but it counts as one of our licenses.

Mr. Rubino said he thinks the City has the least risk in this endeavor. He asked if the Hockey Association understands what they are getting into.

Mr. Doppke, President of the Hockey Association, said yes they are aware of what they are getting into. He said this went before the Hockey Association Board to be voted on. They started several months ago entering in negotiations. It was voted on unanimously to move forward with this.

Mr. Rubino said he echoes Mr. Caron's comments.

Ms. Rheaume said there will be a press conference on May 18th and they will reveal the name of the St. Clair Shores team.

Mr. Vitale mentioned televising games on the St. Clair Shores channel.

Mr. Contratto said they are moving forward and will discuss with the league commissioner. He said within the Jr. Leagues they did have one team that had streaming rights and it was a huge success. He mentioned that the season starts the first week in November.

Agenda Item 5 (cont'd)

Moved by Council Member Frederick, supported by Council Member Accica to approve the agreement between the City of St. Clair Shores and Global Hockey, LLC.

Ayes: All – 7

b. Consideration of adoption of agreement between City of St. Clair Shores and the St. Clair Shores Hockey Association to build four (4) locker rooms at Civic Arena

Ms. Rusie mentioned a correction of a typo on page 2.

Moved by Council Member Caron, supported by Council Member Rubino to approve the adoption of agreement between City of St. Clair Shores and the St. Clair Shores Hockey Association to build four (4) locker rooms at Civic Arena

Ayes: All – 7

c. Consideration of adoption of resolution recommending approval of a new Class C Liquor License

Part of the simultaneous agreements for the Minor League Hockey location at Civic Arena is that the City provides one of the On Premise beer and wine licenses for the facility naming the City and Shores Concession Company, Inc. as co-licensees.

Local legislative approval is required for approval for the issuance of a new license.

Moved by Council Member Rubino, supported by Council Member Caron to approve the request from the City of St. Clair Shores and Shores Concession Company, Inc. (co-licensees) that the application for a new Tavern License, to be located at 20000 Stephens, St. Clair Shores, Macomb County, Michigan 48080, as in compliance with the contract language; and the adoption of the following resolution:

BE IT RESOLVED that the application from the City of St. Clair Shores and Shores Concession Company, Inc., as Co-Licensees, for a new Tavern License to be located at 20000 Stephens, St. Clair Shores, Macomb County, Michigan 48080, be approved. It is the consensus of this body that it recommends this application be considered for approval by the Michigan Liquor Control Commission.

Ayes: All – 7

Mr. Doppke stated that this is a great addition to all the hockey players and teams that have played here for 60 years. There is a great tradition that we have here. He thanked the Mayor, Mr. Smith, Mr. Ihrie, and Ms. Rheume.

Mayor Walby said he is looking forward to it. It is exciting to have professional hockey in St. Clair Shores.

Mr. Smith said Gina Rheume has been the person that has made this whole thing happen. She has gone so far above and beyond. This wouldn't have happened without her. It's a good agreement.

Mr. Ihrie echoed the same as Mr. Smith. When he had questions about all the moving parts, Gina came to his office and put in the time.

Mayor Walby commented that we have the right person to get the job done here.

6. Rental Ordinance Changes from discussion in June 2014 (rescheduled from 4/4/16)

a. Landlords to get resident agent if live outside tri-county area

Mr. Ihrie said a member of the City Council has requested amendments to Chapter 18.200 Inspection of Residential Rental Properties. The first requested amendment to the ordinance is to require a resident agent if the landlord lives outside of Macomb, Oakland, or Wayne County. This is to address a problem where we need to serve a landlord and the landlord is an absentee landlord. In order to remedy that problem, we are requiring them to appoint an agent in the tri-county area if they do not live in the tri county area themselves. The 2nd is that we are requiring the landlord to provide either a 64 gallon or 96 gallon trash cart and a recycling receptacle. If it is a multiple unit the landlord must provide an adequate number of receptacles.

Agenda Item 6 (cont'd)

Ms. Rusie asked where the business address comes in for the owner. She wondered why it is the tri-county area instead of miles. She asked if it's easier to say the distance. It seems arbitrary if someone in St. Clair County could live closer than someone who lives on the furthest point in Oakland County. She asked if the designated agent could be the tenant for the property.

Mr. Vitale said when we had the study session in the past it was said that the tenant could not be the resident agent because it was a conflict of interest. He doesn't understand why it has changed and he doesn't agree with it. He asked what if the tenant moves.

Mr. Ihrie said you could amend it. The tenant could be the designated agent. It would be up to the landlord to designate the agent. This gives us the greater likelihood of where they are going to be to serve them.

Mr. Vitale said he thinks that we have 97% of responsible landlords. He would exclude the tenant as the agent. In the study session it was discussed to include Washtenaw County. That way you have a clear definable boundary. He likes the idea about the trash receptacles and that there be a sufficient number of receptacles provided by the landlord. He thinks the City offers these cans and this is a reasonable requirement.

Mr. Caron said in terms of the tenants being agents, it is to solve an issue. He thinks if you rent to someone you trust like parents renting to their kids or family members that that was the idea of including the tenant as the designated agent. If we add Washtenaw County we should also add St. Clair County. Right now the way the ordinance is set up it is a disadvantage to the homeowners because our homeowners are put to a higher standard than landlord/tenants.

Mr. Rubino said he agrees with Mr. Caron on St. Clair County because it is much closer than some parts of Oakland County and Washtenaw County. He thinks what Mr. Caron said makes a lot of sense in the case where a homeowner rents to a family member. He asked about the times that the homeowner cannot be served and if they are usually out of the County or State. He asked if we have data to support why we would want to do it one way or another.

Mr. Ihrie gave an example such as if it is in a trust because the parents passed away and the son lives out of state and rents the house out to renters.

Mr. Rubino asked if the tenant is the representative and we serve that tenant that would be acceptable to the Court. If they are served than that would be between the landlord and tenant.

Mr. Ihrie said he understands Mr. Vitale's point, but if the landlord selects the tenant as the agent then that is the landlord's decision.

Mr. Vitale said if what we are trying to do is to get court support then it would be up to the landlord if they want to appoint the tenant as the resident agent.

Mr. Ihrie said it will likely be a civil matter. We can't force someone to come from California.

Mr. Frederick asked when the landlord has a resident agent do we serve the landlord as well.

Mr. Ihrie replied no.

Mr. Frederick recommends that we serve both.

Moved by Council Member Vitale, supported by Council Member Frederick to approve the amendment to Chapter 18.203 Sec. 3 Inspection of Residential Rental Properties to include a requirement to obtain/hire a resident agent if the landlord lives outside of the 5 Counties: Macomb, Oakland, Wayne, Washtenaw, .and St. Clair (to drop the exclusion of tenants as agents) to read as follows:

THE CITY OF ST. CLAIR SHORES ORDAINS THAT CHAPTER 18.203 SECTION 3 INSPECTION OF RESIDENTIAL RENTAL PROPERTIES ORDINANCE OF THE CODE OF ORDINANCE, WHICH READS AS FOLLOWS:

Agenda Item 6 (cont'd)

18.203 - Registration of rental properties; application and inspection.

Sec. 3. Owners of multi-residential rental premises and owners of non-owner occupied residences or rental premises shall register with the Building Division all such premises owned by them within the city no later than September 1, 1995. At the time of registration such owners shall also request an inspection of such premises.

Failure to register such property and/or failure to request an inspection prior to September 1, 1995 shall constitute violation(s) of this ordinance. Upon discovery of a failure to register or request an inspection, the city shall have the right to inspect the premises during regular inspection hours upon reasonable notice and require compliance with this ordinance. After September 1, 1995, and upon discovery of an owner's failure to request an inspection, the city shall have the authority to randomly inspect all registered premises during regular inspection hours upon reasonable notice and then required compliance with this ordinance.

Shall be amended as follows:

18.203 - Registration of rental properties; application and inspection.

Sec. 3. Owners of multi-residential rental premises and owners of non-owner occupied residences or rental premises shall register with the Building Division all such premises owned by them within the city no later than September 1, 1995. At the time of registration such owners shall also request an inspection of such premises.

Failure to register such property and/or failure to request an inspection prior to September 1, 1995 shall constitute violation(s) of this ordinance. Upon discovery of a failure to register or request an inspection, the city shall have the right to inspect the premises during regular inspection hours upon reasonable notice and require compliance with this ordinance. After September 1, 1995, and upon discovery of an owner's failure to request an inspection, the city shall have the authority to randomly inspect all registered premises during regular inspection hours upon reasonable notice and then required compliance with this ordinance.

Registration shall be made by the property owner or their designated agent in the office of the Building Division of the city prior to the inspection on a form provided by the Building Division which shall include, at a minimum, the following:

(1) The name and address of the owner and their designated agent upon whom a violation order or other process may lawfully be served.

(a) Owners who reside or who have a business address (a P.O. Box does not qualify as a business address) outside of Wayne, Oakland, Macomb, Washtenaw or St. Clair counties, must designate a local agent who shall be authorized to act as the owner's agent for any matters related to the owner's Certificate of Approval or other matters related to the property and which shall also include authorization to receive and respond to notices from the city and to receive service of process in any action or proceeding brought by the city against the owner.

(b) Any such agent who is designated by an owner must reside or have a business address (a P.O. Box does not qualify as a business address) in Wayne, Oakland, Macomb, Washtenaw or St. Clair counties and the owner must provide the city with the local address and telephone number of the agent.

(c) The City shall send to the owner if owner's address is known, by First Class Mail, a copy of all notices served upon the local agent.

(2) A description of the property, by street and number or otherwise, as will enable the building department to locate same.

Agenda Item 6 (cont'd)

Mr. Smith said in order to be picked up by Rizzo it would need to be purchased by the City or one that can be picked up by Rizzo.

Mr. Caron commented that it would be interesting to know which apartment buildings have dumpsters and which ones use these carts. Mr. Caron asked if we take credit card orders over the phone.

Mr. Smith said currently we don't do that.

Mr. Caron said one discussion we've had is we did not want to make it a City wide requirement because we have many residents that would not need a 64 gallon cart. He thinks this needs more study and is more for apartment buildings.

Mr. Frederick said he agrees with Mr. Caron because a single person who is renting a house would not need a cart. He asked if there's a something that would trigger the violation. He agrees that we should give everyone a recycling cart.

Mr. Vitale stated that there's no requirement that we are going to force anyone to use the trash carts. The idea is to require the landlord to purchase a trash cart. The idea is to bring some sort of uniformity and address the rodent issue. He thinks it is long overdue to discuss that apartment complexes should pay for trash pickup services. The City spends thousands of dollars on rodent baiting.

Ms. Rusie said it is not for just for renters. Providing a can will not guarantee that the can will be used. She doesn't feel this warrants inspection or enforcement. She said let's look at apartment complexes across the board because that is more of an issue than single family homes.

Mr. Rubino asked Mr. Smith what if there's an apartment complex that is not doing what they should be doing in regard to trash.

Mr. Smith said we can serve a notice of violation and monitor them.

Mr. Rubino said this won't stop anything unless they use the trash cart. He understands the intent, but he doesn't know if it would really work.

Mr. Frederick mentioned that there's a safety issue with Rizzo stopping in front of an apartment picking up a lot of cans. He asked if there's a way to have them pick it up behind the complex.

There was no action taken on this item.

7. BIDS/CONTRACTS/PURCHASE ORDERS

a. Request to approve contract for renovation of 19912 Edmunton (bids opened 4/5/16)

Mr. Rayes said the City received bids for the renovation of 19912 Edmunton on 4/05/16. This property was quit claimed to the City of St. Clair Shores in 2015 by the property owner. It was damaged by broken water lines inside the house. The owner and her family did not want to do the repairs and offered it to St. Clair Shores instead. Based on the condition of the property and that there were no mortgages on the property, staff accepted the property as revenue would exceed repair costs. The low bidder is Complete Maintenance and Building Co., LLC, in the amount of \$32,330.00. Staff check their references and they came back favorable. Their previous work was for private investors flipping houses. The house is approximately worth \$111,000.00 this was based on the Assessing Department. Once the repairs are completed we will get a full appraisal on this property.

12/01/14 Received copy of Order Granting Motion for Inspection.

01/06/15 Inspection done on this property. Inspection listed the repairs needed on this property.

05/20/15 Received copy of order granting motion to inspect property.

06/02/15 Inspection June 9, 2015 between 10-12:00 p.m.

06/09/15 No change upon inspection.

09/11/15 Homeowner quit claim deed this property to the City of St. Clair Shores.

Mr. Rayes mentioned that it's \$1,800.00 for the hardwood or carpet.

Mayor Walby asked if it includes the \$1,800.00.

Agenda Item 7 (cont'd)

Mr. Rayes responded it does not include it, so it would be on top this amount.

Mr. Rubino said there is no serious mold issues with the water damage. He asked if we check the walls.

Mr. Rayes said we had a professional remediation company come in to inspect the house.

Moved by Council Member Rubino, supported by Council Member Frederick to approve to award the bid to Complete Maintenance and Building Co., LLC in the amount of \$32,330.00 + \$1800 for a total of \$34,130 for the renovations for 19912 Edmunton.

Ayes: All – 7

b. Request to approve contract for renovation of 22949 Maxine (bids opened 4/12/16)

Mr. Rayes said the property was acquired through tax foreclosure in 2015. The previous owner was a hoarder and when the city received the property we needed to empty nearly 160 cubic yards of material from the house. Once the property was emptied, the structure was found to be in decent condition except for a crack/leak in the basement wall along the driveway. At that point staff proceeded to get the basement work completed before winter. Upon excavation it was found additional work needed to be done as the original builder back-filled the area with clay and not pea stone. The drains were filled solid with clay to the tie in point under the basement floor requiring additional repair. The sum total of the work completed and the proposed general repair contract before you tonight will result in a total investment of \$85,600.00. The estimated value of the house is between \$85,000.00 - \$90,000.00. While the cost to repair may exceed its sale price it was estimated the cost to demolish (estimate \$10,000.00) and the acquisition cost of \$6,340.68 less the value of the lot (\$5,000.00) would have resulted in a loss of \$11,340.68.

Mayor Walby asked about the drywall in the basement.

Mr. Rayes we are not going to do that. This will be a break even investment.

Mr. Rubino asked how much we have in this house already. He asked what the factor was in the decision to renovate versus demolishing and selling to an investor.

Mr. Smith said looking at the neighborhood there's a vacant lot across the street that the family is choosing not to sell. Then we would have a vacant lot here and across the street. The house isn't a bad looking house.

Moved by Council Member Vitale, supported by Council Member Caron to award the bid to Complete Maintenance and Building Co., LLC, in the amount of \$43,600.00 for renovations for 22949 Maxine. (Bids opened 04/12/16).

Ayes: All – 7

c. Request to award bids for Water Main projects – Cedar/Masonic/Sunnydale (bids opened 4/5/16)

Mr. Rayes said proposals were put on MTN and five bids were received on April 5, 2016. For the 2016 Water Main Replacement Project – Masonic Boulevard to award the contract to the lowest bidder which was ADJ Excavating in the amount of \$1,059,847.25. For the 2016 Water Main Replacement Project – Sunnydale and Cedar to award the contract to the lowest bidder which was Fontana Construction in the amount of \$381,397.00 for Sunnydale and \$276,517.00 for Cedar for a combined total of \$657,914.00. These projects are budgeted in the Utility Fund Capital Account.

Mr. Rayes explained that Masonic would be new cast iron and Sunnydale and Cedar would be pipe bursting projects. He said Fontana Construction did Greater Mack last year and they did a fine job for us.

Mr. Caron thanked AEW for working it out in regards to getting data for the number of breaks we get a year. There is a special issue on Sunnydale whenever the Fire Department fills the trucks it can cloud the water on Sunnydale. It is a 6" line and will be upgraded to an 8" line.

Mr. Frederick asked about the new line and abandoning the old line on Masonic.

Agenda Item 7 (cont'd)

Mr. Rayes explained that by moving it to the north they would have to tear out the entire lane of Masonic, but by installing a new line on the south side there are only a few taps on the south side and they would not need to tear out an entire lane.

Moved by Council Member Frederick, supported by Council Member Rubino to approve the 2016 Water Main Replacement Project – Masonic Boulevard to award the contract to ADJ Excavating at unit pricing in the amount of \$1,059,847.25 and the 2016 Water Main Replacement Project – Sunnydale and Cedar to award the contract to Fontana Construction at unit pricing in the amount of \$381,397.00 for Sunnydale and \$276,517.00 for Cedar for a combined total of \$657,914.00.

Ayes: All – 7

d. Request to approve sale of vacant parcel at 31214 Jefferson 2015 Tax Foreclosed lot

Mr. Rayes said this home was acquired in July 2015 from the Macomb County Treasurer's Office, as part of the tax foreclosure program and listed on September 23, 2015. Original asking price was \$365,000.00. The parcel has been on the market for just over six months. During this period we received two offers in the low \$200,000.00 that were rejected. An offer came in at \$295,000.00 we rejected the offer and countered with \$320,000.00. They offered \$310,000.00 we rejected the offer. They countered offer \$320,000.00, which was accepted. The offer presented tonight is \$320,000.00.

Mr. Rayes said the 1920 dated house is now gone but the boathouse that needs some work was left. It's a 90'x300' beautiful lot. The house will be a beautiful addition to that area.

Mr. Smith said there's a buyer very interested in the parcel in the audience.

Moved by Council Member Rubino, supported by Council Member Caron to approve the sale of the vacant lot at 31214 Jefferson (2015 Tax Foreclosure Property) in the amount of \$320,000.00.

Ayes: All – 7

e. Request for approved revised pricing for 2016 Sidewalk Program

Mr. Rayes said the low bidder for the 2016 Sidewalk Program is Italia Cement. Italia has been the low bidder on several occasion and other than having a slow response to completing the punch list, their work has met specification. Since the original presentation at the February 16, 2016 meeting failed on a 3 – 3 vote, staff was contacted by the contractor offering to lower the price. Staff instructed them to send their revised numbers and we would present them to Council for consideration.

Last Program Year	No Program	Original Bid	
<u>2014 Pricing</u>	<u>2015 Pricing</u>	<u>2016 Pricing</u>	<u>2016 Pricing (revised)</u>
4" - \$2.50 s.f.	4" - \$5.10 s.f.	4" - \$3.99 s.f.	4" - \$3.77 s.f. *
6" - \$3.00 s.f.	6" - \$5.40 s.f.	6" - \$4.44 s.f.	6" - \$4.18 s.f. *
			*Includes removal & replace

Mr. Rayes said staff contacted several mud jacking companies for pricing. The cost on an individual basis ranged from \$45 - \$75 depending on quantity to be done. Therefore the average cost using the revised numbers (25 s.f.) 4" slab for removal and replace would be \$113.10 including permit and inspection fees and \$125.40 for 6" flags.

Ms. Rusie said the offer is contingent. She doesn't see how we can offer a one year deal when it states that the offer is contingent on a 3 year contract. She is not in favor of that. She voted against this in February because she wanted more details on the mud jacking.

Mr. Accica commented that he would give them a one year agreement for that price.

Mayor Walby said we don't have to approve contingent on that. We can make a motion that this is what we accepted and take it or leave it.

Mr. Rayes said it was \$75 for one flag and now it will be \$113 for one flag.

Agenda Item 7 (cont'd)

Mr. Vitale asked if there a means to spread the cost. He doesn't want to abandon the program. He would like to see a letter go out to the residents with 5 companies that are registered with the City.

Ms. Rusie questioned if they will accept the offer without the contingency.

Mr. Frederick stated that he has a real problem with this pricing. We need to have the mud jacking information in hand.

Moved by Council Member Vitale, supported by Council Member Accica to award the contract to Italia Construction, Inc. for the 2016 Miscellaneous Sidewalk and Drive Approach Repair Program for one year with the pricing that they are offering for 2016 and 2015 districts and to direct staff to prepare a letter for mud jacking to include 5 licensed contractors in the city providing the service.

A roll call vote was taken.

Ayes: Vitale, Accica

Nays: Caron, Frederick, Rubino, Rusie, Walby

Motion Failed.

8. **CONSENT AGENDA** – All items listed on the consent agenda are considered to be routine and will be enacted by one motion and approved by a vote of City Council. There will be no separate discussion of the items unless the Mayor and or a Council Member so requests, in which event the item will be removed from the general order of business and considered under the last item of the Consent Agenda.

Moved by Council Member Caron, supported by Council Member Frederick to approve the Consent Agenda Items a – g, which include the following:

a. **Bills**

April 7, 2016	\$3,221,766.63
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Resolved to approve the release of checks in the amount of \$3,221,766.63 for services rendered, of the report that is 22 pages in length, and of the grand total amount of \$3,221,766.63, \$0 went to other taxing authorities.

b. **Fees**

Resolved that the following Fees be approved as presented:

Ihrie O'Brien	\$ 18,751.89
Kirk, Huth, Lange & Badalamenti	\$ 1,573.80

c. **Progress Payments**

Resolved that the following Progress Payments be approved as presented:

Doetsch Industrial Services	\$ 65,866.68
Doetsch Industrial Services	\$ 20,661.30
Pavex Corporation	\$ 30,518.86

d. **Approval of Minutes**

Resolved that the following minutes be approved as presented:

<u>Minutes</u>	<u>Meeting Date</u>
City Council	March 14, 2016

e. **Receive & File Boards, Commissions & Committee Minutes**

Resolved that the following minutes be received and filed:

Agenda Item 8 (cont'd)

<u>Minutes</u>	<u>Meeting Date</u>
Board of Review	March 8, 2016
Cool City Committee	March 8, 2016
General Employees' Pension Board	February 16, 2016
Golf Course Committee	December 15, 2015
Historical Commission	February 2, 2016
Memorial Day Parade Committee	March 2, 2016
Memorial Day Parade Committee	March 16, 2016
Police & Fire Pension Board	February 25, 2016
Police & Fire Retiree Health Care Trust Board	February 25, 2016
Sign Arbitration	January 28, 2016
Water Resources & Advisory Board	January 5, 2016

f. Request to receive and file the City Manager's Proposed Budget for FY 2016-17

City Manager delivery of the FY 2016-2017 balanced budget for your consideration and approval. As is required, it has been prepared in compliance with the statutes of the State of Michigan and the City of St. Clair Shores Charter. It is the culmination of many months of discussions, meetings and workshops that included administration and yourselves as the governing body. The budget that I am presenting continues to provide the highest possible level of services and to make the very best use of our reduced and available resources. The management team and I are prepared to answer any and all questions that you may have, as you review the budget.

The budget document serves as a planning and policy guide, and determines the level of service provided to residents, businesses, and visitors. This document also illustrates the City's administrative structure and work plan for the upcoming year. The focus continues to be providing the level of services that our residents have become accustomed to. However, I would be remiss if I did not point out that it does come at a financial cost which will be shown further on.

This document sets forth the recommended expenditures for operations and for capital improvements, as well as recommended sources of revenue, for the upcoming fiscal year.

While not perceived as part of the budgeting process, the revenues that our taxpayers invest in the City add value to their properties. Property values are significantly impacted by the quality of service functions throughout the entire infrastructure, in particular the levels of service through the cultural, parks, recreation, code enforcement, police and fire systems.

Budget Calendar

A budget study session was conducted on January 23 and formal public hearings are scheduled for April 25th and 26th. Final budget adoption is scheduled to take place on June 6, 2016.

Highlights

Following is a high level comparison of the Proposed FY 2017 budget and Adopted FY 2016 budget for all funds.

Description	FY 2017 Proposed	FY 2016 Adopted	Increase/Decrease	FY 2015 Adopted
Revenues	\$95,542,537	\$98,220,498	(\$2,689,535)	\$91,091,937
Expenditures	102,196,038	104,135,984	(\$2,037,821)	96,309,243
Surplus/(Deficit)	(\$6,653,501)	(\$5,915,486)	\$651,714	(\$5,217,306)

The year to year comparison for just the General Fund is as follows:

Description	FY 2017 Proposed	FY 2016 Adopted	Increase/Decrease	FY 2015 Adopted
Revenues	\$31,412,455	\$30,433,444	\$979,011	\$44,942,074
Expenditures	36,701,986	33,457,506	(3,650,845)	46,704,624
Surplus/(Deficit)	(\$5,289,531)	(\$3,024,062)	(\$4,629,856)	(\$1,762,550)

Agenda Item 8 (cont'd)

The total citywide proposed budget submitted is \$102.2 million. This is based on using a total of \$6.6 million in reserves due to revenue shortfalls in several funds but primarily the General Fund at \$5.2 million.

g. Request from City Clerk to adopt State of Michigan Record Retention Schedule #23 Elections Records for local government & General Schedule #1 non-records

The State of Michigan Record Retention Schedule #23 was published for use on January 26, 2016. New Schedule #23 Election Records complies with the 2012 Public Act changing the record retention periods specifically for Applications to Vote (AV, MOVE, and Election Day) to 6 years and voter registration Master Cards until cancelled + 5 years. These Record Retention Schedule changes were then reviewed and approved by the Department of Technology, Management and Budget, Records Management Services, Department of Natural Resources, Archives of Michigan and Bureau of Elections on January 26, 2016.

In reviewing all the schedules City Council adopted in 2013, I found we did not adopt General Schedule #1 – Non-Records which was also approved by the State agencies on June 2, 2015. Adoption of the Non-Records schedules allows the City under the schedule to dispose of materials that are no longer needed for reference purposes.

Adoption of these two schedules will bring the City up to date on record retention schedules and in compliance with Michigan Elections and State Statutes.

Ayes: All – 7

9. UPDATES AND FOLLOW-UPS FROM COUNCIL MEETING

Budget Hearings – Mr. Smith said the Budget Hearings start on Monday, April 25 and Tuesday, April 26 at 6:00 pm. He thanked all the departments. We had 5 days of internal budget meetings. He said to contact him and the Finance Director if you have any questions.

Class Action Law Suit with Eastpointe on Revenue Sharing – Mr. Smith said there was a MACRO meeting in Roseville where they did not certify the class. At this time there is no need for fees.

Shady Lane – Mr. Rayes said the issue that Mr. Rubino brought up was cleaned up the next day.

Former Chapaton Apartments Development – Mayor Walby said his patience is wearing. It's been a long time. The standing water issues need to be addressed.

Mr. Rayes said it's been delayed by their own design. They need to get the plans approved by the State. They approved the plans and are working toward submission for construction. He said he was told June. He will stay on top of it.

Former St. Gertrude Church Development – Mayor Walby commented that it is moving quickly.

Sewer Line Warranties – Mr. Smith said we had 2 telephone conferences and made a request to get data and meet. We are not going to continue to endorse this program until we review the data.

Zoning Ordinance Review Committee – Mr. Smith said the Zoning Committee is Council Members Accica, Rusie, and Vitale.

Harper Avenue Pot Holes – Mr. Smith said the County was out patching and some other areas were addressed as well.

10. COMMENTS BY INDIVIDUAL COUNCILPERSONS

Council Member Frederick announced The Lake House fundraiser on April 28th at the Lakeland Banquet Center.

Mr. Frederick made library announcements. He announced the Historical Society Meeting on Wednesday, April 20th.

Mr. Frederick announced the Optimist Club is doing honorary banquet for scholarships and champions.

Agenda Item 10 (cont'd)

Council Member Vitale informed that he possibly won't attend the budget hearings on Monday. He asked Mr. Rayes about the repairs on Socia.

Mr. Rayes said it was probably a water main break. He said they are out marking right now.

Council Member Accica stated that he is looking forward to the professional hockey team coming to the city this fall.

Council Member Rusie said Chapaton apartment old site is an eyesore that needs to be addressed. She said the Cultural Committee adopted Masonic from Harper to Jefferson in the adopt a road program. She said residents were thanking them and it's nice to get that type of response. She told residents they can call DPW for more Adopt-A-Road information.

Council Member Rubino reiterated about Chapoton. He asked why the backyard flooding issue on Mauer and Shady Lane not rectified. He asked if we are replacing 9 Mack Drive. He asked what we are doing to make that drivable.

Mr. Rayes said we will do what we need to do. We applied for the TIP program.

Mr. Rubino asked about the sewer on Manor in Eagle Pointe.

Mr. Rayes said it was marked out today and they should be getting close to doing that.

Mr. Rubino said the Barrister Garden sign on Little Mack side looks terrible.

Mr. Rubino said he watched Rizzo drop garbage and leave it. He wants to know why we are paying these people millions of dollars to drop garbage everywhere. They need to straighten it out.

Mr. Smith said when we know of the issues we contact the Rizzo manager. He will get a meeting with Don Beretta and the manager at Rizzo.

Mr. Rubino said he asked for a meeting with Service Line Warranties.

Mr. Smith said we stopped allowing them to use our logo and letterhead. We stopped endorsing them.

Council Member Caron discussed road infrastructure and Michigan Local Technical Assessment Program. He discussed PASER system (pavement surface evaluation and rating). He said in regards to Harper those areas that are cracked do need to be filled. He said it is important and a cheap maintenance thing to maintain the life of our roads.

Mr. Caron said he went through the Water Quality Report and saw issues with the report, so he sent an email to Senator Brandenburg and Representative Roberts regarding that.

Mr. Caron mentioned he was disappointed with the County Board of Commissioners approving pay raises last Thursday for the elected officials.

11. CITY MANAGER'S REPORT

Mr. Smith announced that the boat ramps are open. We have had a number of applications for gate guards and we are still looking to hire gate guards, lifeguards, and maintenance.

12. AUDIENCE PARTICIPATION (5 MINUTE TIME LIMIT)

Jerry Brown, St. Clair Shores Resident, said he walks his dog and he almost got ran over and kids almost got hit twice on Statler Street. The drivers were talking on their cell phones and he is concerned about that. He called the Police Department and he was told there's a State law. The State specifies texting and games, but Troy has a paragraph on cell phone usage and he strongly suggests that we adopt the laws that Troy adopted. If they bust you the first item it is \$160, the 2nd time is \$300 and 30 days in jail.

13. MAYOR'S COMMENTS - None

14. REQUEST TO ENTER CLOSED SESSION AS PERMITTED BY STATE STATUTE MCLA 15.268 SECTION 8 (c)

Moved by Council Member Caron, seconded by Council Member Rusie to enter Closed Session as permitted by State Statute MCLA 15.268 Section 8 (c) at 10:17 p.m.

A roll call vote was taken.

Ayes: All – 7

Moved by Council Member Frederick, seconded by Council Member Caron to return to Open Session at 11:07 p.m.

Ayes: All – 7

15. ADJOURNMENT

Moved by Council Member Caron, supported by Council Member Frederick to adjourn at 11:07 p.m.

Ayes: All – 7

KIP C. WALBY, MAYOR

MARY A. KOTOWSKI, CITY CLERK

(THE PRECEDING MINUTES ARE A SYNOPSIS OF A CITY COUNCIL MEETING AND DO NOT REPRESENT A VERBATIM RECORD).